

Regular Meeting

Agenda Item #	5
Meeting Date	October 23, 2006
Prepared By	Barbara B. Matthews City Manager
Approved By	

Discussion Item	2 nd Reading Ordinance Regarding FY07 Budget Amendment No. 2
Background	<p>The City and Montgomery County previously entered into a Memorandum of Understanding regarding the renovation of 7133 Carroll Avenue. In accordance with the terms of the Memorandum of Understanding, the City will be reimbursed for the cost of the renovation. All work related to the project was anticipated to be completed by June 30, 2006. Certain incidental work was still outstanding as of this date, requiring an amendment to the FY07 budget to recognize related expenditures.</p> <p>In June 2005, the City received payment from its insurer, the Local Government Insurance Trust, for structural repairs and loss of contents resulting from a sewage pump failure in the basement of the Municipal Building. The City Council approved a contract for restoration of the damaged area, and the work was anticipated to take place in FY06. In actuality, the work was not performed until FY07. The proposed budget amendment would appropriate funds to the Public Works Department's operating budget to cover the cost of the project.</p> <p>The City received grant funding under the Community Parks and Playgrounds Program for projects at Toatley Fraser Park and Heffner Park. The anticipated completion date for these projects was June 30, 2006. Certain work for both projects was still outstanding as of this date, requiring an amendment to the FY07 budget to recognize related expenditures.</p> <p>During FY07, the City anticipated the expenditure of \$91,300 of street bond proceeds. WSSC plans to do work on many of the streets scheduled for resurfacing during the fiscal year; the City has deferred resurfacing until WSSC completes its work. Because it is unclear when WSSC will complete its work, the Director of Public Works would like to advance certain projects initially scheduled to be undertaken in FY08 and FY09; these streets include several sections of the New Hampshire service road, Winchester Avenue, and Willow Avenue. This would result in the expenditure of more bond funds in FY07, necessitating an amendment to the FY07 budget.</p> <p>On October 9, 2006, the City Council authorized execution of a contract with Ross Contracting, Inc. for construction of the Carroll Avenue Streetscape Project—Phase II. Other project costs include landscaping and inspection services. The cost of completing the entire streetscape requires the allocation of \$81,242. The budget amendment ordinance has been amended since first reading to reflect this allocation.</p>
Policy	The Code of the City of Takoma Park requires budget amendments to be approved by a two-reading ordinance.
Fiscal Impact	The General Fund fund balance would be reduced by \$67,906, reflecting the draw down of street bond proceeds. The amount of the operating transfer from the General Fund to the Special Revenue Funds would increase by \$81,242. General Fund expenditures would increase by \$67,906. Special Revenue Funds revenues would increase by \$47,117; fund expenditures would increase by \$128,359.

Attachments	Proposed FY07 Budget Amendment Ordinance No. 2
Recommendation	Staff recommends that the City Council accept the proposed ordinance for second reading.
Special Consideration	

**ORDINANCE NO. 2006-49
FY07 BUDGET AMENDMENT NO. 2**

WHEREAS, the City and Montgomery County previously entered into a Memorandum of Understanding regarding the renovation of 7133 Carroll Avenue; and,

WHEREAS, in accordance with the terms of the Memorandum of Understanding, the City will be reimbursed for the cost of said renovation; and,

WHEREAS, some renovation work was incomplete as of June 30, 2006, necessitating an amendment to the FY07 budget to account for the expenditure of funds for said work as well as the reimbursement the City will receive from Montgomery County; and,

WHEREAS, in December 2004, the sewage pumps in the basement of the Municipal Building failed, causing the flooding of several offices in the Police Department; and,

WHEREAS, the City received payment from its insurer, the Local Government Insurance Trust, for anticipated structural repairs and loss of contents resulting from said flooding in June 2005; and,

WHEREAS, the City Council awarded a contract in February 2006 for restoration of the damaged area; and,

WHEREAS, said restoration work was not undertaken until FY07, necessitating an appropriation to the Public Works Department's operating budget to cover the cost of the project; and,

WHEREAS, the City received grant funding under the Community Parks and Playgrounds Program for projects at Toatley Fraser Park and Heffner Park; and,

WHEREAS, these projects were incomplete as of June 30, 2006, requiring an amendment to the FY07 budget to recognize associated expenditures and revenues; and,

WHEREAS, the FY07 budget reflects the expenditure of \$91,300 of street bond proceeds, including many streets awaiting work by WSSC; and,

WHEREAS, because it is unclear when WSSC will complete its work on the aforementioned streets, the Director of Public Works would like to advance certain projects initially scheduled to be undertaken in FY08 and FY09; and,

WHEREAS, the advancement of these projects will result in the expenditure of more street bond proceeds during the fiscal year, necessitating an amendment to the FY07 budget; and,

WHEREAS, on October 9, 2006, the City Council agreed to move forward with construction of the Carroll Avenue Streetscape Project—Phase II; and,

WHEREAS, the Carroll Avenue Streetscape Project will require the allocation of \$81,242 in City monies to supplement the Community Legacy grant monies.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF TAKOMA PARK, MARYLAND THAT:

SECTION 1. The Fiscal Year 2007 Budget be amended as follows:

General Fund – Transfers

1. Appropriate \$81,242 to account 9200-8100, Special Revenue Funds Transfer.

Special Revenue Funds – Transfers

1. Appropriate \$81,242 to account 0010-3385, General Fund Transfer.

General Fund – Use of Fund Balance

1. Expenditure of an additional \$67,906 in fund balance, reflecting the use of street bond proceeds.

General Fund – Expenditures

1. Appropriate \$67,906 to account 9100-8007, Capital Expenditures, for the expenditure of additional street bond proceeds.

Special Revenue Funds – Revenues

1. Appropriate \$22,639 to account 0010-3910, 7133 Carroll Avenue, for reimbursement from Montgomery County for the renovation of 7133 Carroll Avenue.
2. Appropriate \$21,244 to account 0010-3834, Toatley Fraser Park, for reimbursement under the Community Parks and Playground Program.
3. Appropriate \$3,234 to account 0010-3831, Heffner Park, for reimbursement under the Community Parks and Playground Program.

Special Revenue Funds – Expenditures

1. Appropriate \$22,639 to account 0010-7243, 7133 Carroll Avenue, for the cost of renovating 7133 Carroll Avenue.
2. Appropriate \$21,244 to account 0010-7194, Toatley Fraser Park, for renovation of Toatley Fraser Park.
3. Appropriate \$3,234 to account 0010-7198, Heffner Park, for renovation of Heffner Park.
4. Appropriate \$81,242 to account 0010-6837, Community Legacy 2004, for the Carroll Avenue Streetscape Project—Phase II.

SECTION 2. This Ordinance shall become effective upon adoption.

Adopted this _____ day of _____ by Roll Call vote as follows:

AYE:

NAY:

ABSTAIN:

ABSENT:

Explanatory Note:

Shading indicates additions to Ordinance No. 2006-49 made after first reading on October 9, 2006.